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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 09/05/07

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ARTICLES:

(1) Interview with Defense Minister Masahiko Komura on Antiterrorism Law

MAINICHI (Page 2) (Full)
September 5, 2007

Q. The opposition parties are opposed to an extension of the Antiterrorism Special Measures Law. How are you going to deal with them?

Komura: I am going to offer thorough explanations about the law's significance to both the opposition parties and the general public. The maritime interdiction operations to block terrorists have been authorized by UN resolutions. Countries that did not send troops to Iraq, such as France and Germany, are also taking part in the operations. The Maritime Self-Defense Force's refueling services are the foundation for those operations. I'm afraid that the general public is not fully aware of how much Japan's refueling operation is being appreciated by the international community and how much it is helping Japan itself.

Q: A new law is also under study. Is the government still going to present a bill to revise the existing law to extend the MSDF mission?

Komura: The bottom line is to continue the MSDF operation beyond November 2. We will pursue every possibility to that end.

Q: One option would be establishing a new law for resuming activities after the existing law expires.

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Komura: That's possible. We might go for new legislation before the current law expires.

Q: Is there any room for talks with the Democratic Party of Japan?

Komura: I was a member of the "Ozawa research council" (that studied the country's international contributions, such as joining the multinational forces, in the days when Ichiro Ozawa and others were still members of the Liberal Democratic Party). So I think I know well about Mr. Ozawa's thinking. I believe he did not stick to the United Nations' authorization back then, but he said that Japan was allowed to join (international) police activities. I want to hear his thoughts on the matter.

Q: There is stiff local resistance to the planned relocation of Futenma Air Station in Okinawa.

Komura: Following local requests, the government has produced its plan that has also won the consensus of Tokyo and Washington. I will do my utmost to convince the local residents to support the government plan.

Q: What are your responses to the SDF mission in Iraq, including an exit strategy?

Komura: Humanitarian and reconstruction assistance has won international support. The Diet has approved its extension, so the mission will go on. Although the government will not think of an exit strategy for the time being, anything could happen, such as withdrawing from the country successfully or losing cost effectiveness.

Q: What new system are you going to build in cooperation with new Administrative Vice-Defense Minister Kohei Masuda?

Komura: We must commit ourselves to national defense for the people. I could go, "Both of us have passed the bar examination and are gentle." But (recent reports on a clash with former Vice Minister Takemasa Moriya) have revealed that I am not really gentle.

(2) Interview with Defense Minister Masahiko Komura on Antiterrorism Law -- "Japan will continue refueling operation no matter what"

YOMIURI (Page 4) (Abridged slightly)
September 5, 2007

I am going to spell out the need to extend the Antiterrorism Special Measures Law to the opposition parties. If Japan terminated its refueling operation in the Indian Ocean at this point, other countries would think Japan is an abnormal country. Japan must continue its refueling operation no matter what, and I will pursue every possibility to that end. Theoretically speaking, it is possible to present a new bill, while continuing activities under the Antiterrorism Law. The government led by the Cabinet Secretariat is nailing down the details. Ichiro Ozawa, the president of the Democratic Party of Japan, thinks the Antiterrorism Law lacks UN authorization. The fact is the United Nations has given a seal of approval to the law. Refueling foreign vessels is an act that is consistent with Ozawa's thinking that Japan should actively take part in collective defense.

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The government's plan to build a V-shaped pair of runways at the relocation site for Futenma Air Station in Okinawa is totally rational. I will heed local views, but unless there is something extraordinary, making changes to the plan would be difficult.

Based on bitter lessons learned from the leakage of information on the Aegis system by Maritime Self-Defense Force officers, we will make the SDF personnel become fully aware of the importance of information security. Although we have not considered a punitive clause or other steps to toughen the law, the government might consider such options in the future.

(3) Upper House member Koike picked parliamentary secretary for foreign affairs

YOMIURI (Page 4) (Full)
August 5, 2007

The government decided yesterday in a round-robin cabinet meeting to appoint House of Councillors member Masakatsu Koike as parliamentary secretary for foreign affairs to serve as the replacement of Yukio

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Sakamoto, who quit the post in connection with the Liberal Democratic Party branch office she heads that had used receipts for fictitious political meetings multiple times in her political reports.

Masakatsu Koike represents the Upper House Tokushima constituency. He served as an Audit Committee director. He graduated from the University of Tokyo. He is serving in his first term in the Upper House. He is 55 years old. He belongs to the Tsushima faction in the LDP.

(4) Borrowing issue: "Mistake in records," says Kamoshita; Opposition parties eye possibility of issuing censure motion

YOMIURI (Page 1) (Full)
Evening, September 5, 2007

Concerning unclear borrowings reported by his fund management organization, Environment Minister Kamoshita this morning told reporters in Tokyo, "I would like to conduct a factual investigation and report the result to all of you." He indicated his intention to hold a press conference and provide an explanation of the matter. Chief Cabinet Secretary Yosano plans to listen to Kamoshita's explanation. Eyeing a submission of a censure motion against Prime Minister Abe to the Upper House, where the opposition camp has a majority, the opposition intends to demand that Abe dismiss Kamoshita, provided that he cannot fulfill his accountability by coming up with a clear explanation.

The political fund payment report submitted in 1996 by Kamoshita's

fund management organization recorded 2 million yen as borrowings from him. The body recorded 10 million yen as borrowed from Kamoshita during a period from 1998 through 2005. Kamoshita failed to explain the 8 million yen discrepancy.

Kamoshita stated, "My perception of the discrepancy is that there were borrowings worth 2 million yen, and that the 10 million yen in borrowings was later reported by mistake. I deeply reflect on the fact that the mistaken record has been reported for years." He added, "I believe records were kept somehow in a sloppy manner. I will correct the reports wherever necessary."

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He stressed that he has no intention of stepping down as cabinet minister, saying, "I will provide a proper explanation. I will do my best in order to provide a convincing explanation."

Prime Minister Abe at noon today told reporters at the Prime Minister's Official Residence (Kantei): "I heard that there was some mistake in the records. If this is a case of a mistake, he must correct what should be corrected. Then I would like him to give an account."

The prime minister's policy is that he will dismiss cabinet ministers if they cannot provide explanations when there are charges of a politics and money scandal. Asked about whether the case this time falls under this policy, Abe replied, "If it was a case caused by an error, it does not fall under that policy." He indicated that if it was a simple mistake, Kamoshita need not step down. However, some ruling party members are concerned about the possible impact of the incident on the extraordinary Diet session to be convened shortly. Chances are that the matter could develop into a question of whether or not he should resign, depending on what explanations Kamoshita will come up with.

Kenji Yamaoka, chair of the Democratic Party of Japan's (DPJ or Minshuto) Diet Affairs Committee, said, "We will demand explanations from him in the Diet session. If he cannot give explanations, he would deserve a censure motion."

(5) Four opposition parties to put up joint front in upcoming extraordinary Diet session with eye on dissolution before year's end: How will the censure motion be used?

SANKEI (Page 5) (Full)
September 5, 2007

The government and the ruling parties yesterday decided to convene the fall extraordinary Diet session on Sept. 10 for 62 days until Nov. 10. The major point at issue is an extension of the Antiterrorism Law. However, there has been no end to the series of scandals involving government officials and LDP lawmakers even after the cabinet reshuffle, as can be seen in the resignations of Agriculture Minister Takehiko Endo and Upper House member Yutaka Kobayashi. In a bid to force a Diet dissolution before year's end, the opposition bloc is hardening its confrontational stance, brandishing the threat of presenting censure motions against Prime Minister Abe and the members of his cabinet.

Referring to the resignation of Endo, Abe during an LDP executive meeting held yesterday morning offered an apology, "I am sorry the incident caused so much trouble." With a stern expression, he then gave an order: "The upcoming Diet session will be stormy in all ways. I ask the government and the ruling parties to unite and ride it out."

The Democratic Party of Japan (DPJ or Minshuto), the Social Democratic Party (SDP), the People's New Party (PNP) and the Japanese Communist Party (JCP) also held a joint meeting of Diet affairs committee chairmen. Participants agreed to pursue the "politics and money" scandals in a thorough manner. The JCP distanced itself from the other opposition parties early this year, but the party now plans to attend that regular meeting.

Opposition parties have decided to demand that budget committee hearings of both chambers be held for 5-6 days in total. They also agreed to summon Fujio Mitarai, chairman of the Japan Business Federation (Nippon Keidanren), to the Lower House Budget Committee over Canon's fabrication of job contracts. Their aim is to let him step down as a member of the government's Council on Economic and Fiscal Policy (CEFP), thereby delaying the start of deliberations on a bill amending the Antiterrorism Special Measures Law.

Though this meeting did not focus on the issuance of censure motions against cabinet ministers in the Upper House, opposition parties consider this strategy as a major card to play in order to shake the government and the ruling parties.

If censure motions against cabinet ministers over their politics and money scandals are adopted in the Upper House, where the ruling parties hold a majority, the administration would face a predicament. However, if opposition parties issue that card excessively, cabinet ministers would stick to their posts, highlighting what censure motions can do is limited.

It is even more so, when it comes to a censure motion against the prime minister. If such is submitted to the Upper House, the ruling parties are bound to introduce a confidence motion for the cabinet. If the confidence in the cabinet is legally adopted, opposition parties would be left with no more cards to play.

How effectively a censure motion should be used is a major challenge for the opposition camp, as a source in the camp put.

DPJ Secretary General Yukio Hatoyama tried to constrain the ruling bloc by noting, "There will appear a case in which a censure motion against the prime minister has to be submitted." A preliminary skirmish has already begun.

(6) Editorial -- US-DPRK agreement: Bringing about denuclearization in strict terms and without any loopholes is critical

MAINICHI (Page 5) (Full)
September 5, 2007

We cannot rejoice at this agreement. This agreement means that the United States and North Korea agreed at their working group meeting in the six-party talks in Geneva to "disable" the nuclear facilities and "make a report on all of nuclear programs" within the year. We hope the North will abide by the agreement by completely dismantling its nuclear facilities and denuclearizing itself in an irreversible way.

However, a number of doubts are cast on this agreement. In reporting on the agreement, the Korean Central News Agency said that it has been decided that the US "will remove North Korea from the list of countries supporting terrorism and lift all the sanctions imposed on North Korea." The US denied an early removal of North Korea from the list, noting, "It depends on progress on denuclearization," but evidently, the US is implying a future removal.

We again remind the US of this point. Delisting North Korea as a state sponsor of terrorism is an important trump card to resolve a number of issues concerning the North. The US must be prudent about using that trump card in order to have the North strictly implement the points of agreement and realize denuclearization without any

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loopholes.

When it comes to "disability," what measures will be taken to disable the existing nuclear facilities? We know of no specific ideas for that having been made clear. It is also necessary to reveal the amount of plutonium the North has extracted until now and the number of nuclear bombs the North possesses at present. It might take time to ravel various doubts, including the existence of production programs for plutonium-type or uranium-type nuclear

weapons.

Additionally, the abduction issue has been indeed stalled from the Japanese point of view. If the US made a quick move to remove the North from the list of state sponsors of terrorism, it would be regrettable in terms of Japan dealing with North Korea, as well as in terms of relations between Japan and the US.

To be sure, whether to remove the North from the list of state sponsors of terrorism is primarily a domestic issue for the US. In fact, Secretary of State Rice also has made her position clear by noting: "A resolution of the abduction issue is not a condition for the US to remove the North from the list of state sponsors of terrorism." The annual report on terrorism released in May by the Department of State concluded that there has been no case of North Korea supporting terrorists since the 1987 explosion of a Korean Airlines jetliner caused by North Korean agents. The report's coverage of the abduction issue has been shortened compared to the previous one.

President Bush and key US officials have expressed consideration for the abduction issue, but they cannot prevent giving the impression that they have done so only to give lip service to Japan. Chief Cabinet Secretary Kaoru Yosano made this comment: "The US does not have the slightest intention of leaving Japan behind. I think it is important to believe the US." However, it is not just a question of believing in the US. We also deem it important for Japan to make its direct request of the US.

Aside from the abduction issue, it is Japan that has been most exposed to the threats of North Korea's nuclear development and missiles. The US is now calling on Japan to extend the Antiterrorism Special Measures Law. Listing the North as a state sponsor of terrorism is one thing and Japan's Antiterrorism Special Measures Law is another. But if an impression of "Japan being left behind" regarding the North Korean issue is growing stronger, the Japanese public's sentiment toward the US will cool down.

Whether the US will disclose information has been made an issue in regard to an extension of the Antiterrorism Special Measures Law. Regarding the North Korean issue, too, the US should provide Japan with more information and improve communications with Japan. Given the past relations between Japan and the US and geographical aspects of the two countries, it is strange if Japan is being "left behind."

(7) Cabinet Office, 10 ministries want to abolish no IAIs; Administrative minister to ask them to reconsider "zero response"

YOMIURI (Top Play) (Slightly abridged)
September 4, 2007

It was learned on Sept. 3 that the Cabinet Office and 10 ministries
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had submitted to the Cabinet's Headquarters for the Promotion of Administrative Reform their plans to abolish any of the independent administrative institutions (IAIs) under their jurisdiction, a sign of strong resistance among bureaucrats against the shrinking of IAIs, which provide retired bureaucrats lucrative jobs. Yoshimi Watanabe, state minister in charge of administrative reform, intends to ask them to reconsider a "zero response."

There are 101 IAIs. However, the plans the Cabinet Office and 10 ministries presented mad no proposal of abolishing and privatizing the IAIs, except for the Japan Green Resources Agency, the abolition of which has been decided.

The plans also did not stipulate the abolishment of the Nippon Automated Cargo Clearance System Operations Organization (NACCS) under the Finance ministry's jurisdiction, only referring to the possibility of its privatization.

Regarding the National Statistics Center (NSC) under the jurisdiction of the Ministry of Internal Affairs and Communications, and the National Hospital Organization under the jurisdiction of the

Ministry of Health, Labor and Welfare, the plans stipulated that the status of public employees of the NEX executives would be deprived.

IAIs that would go private include 1) the National Printing Bureau, under the Finance Ministry's jurisdiction, 2) the National Institute for Materials Science under the Education Ministry's jurisdiction, 3) the Agriculture & Livestock Industries Corporation under the Agriculture Ministry's jurisdiction, and 4) the Japan External Trade Organization under the METI's jurisdiction.

The government decided in a cabinet meeting on Aug. 10 on a basic policy of streamlining the IAIs, which stipulates a review of them in view of securing their self-reliance independence.

The government plans to finalize the streamline plans of IAIs later this year. However, bargaining between the administrative reform minister and bureaucrats will likely continue until the last minute.

(8) TOP HEADLINES

Asahi:

Comsn's at-home nursing-care operations to be sold to 16 entities

Mainichi:

Three major nursing-care companies to buy most Comsn's at-home operations in 30 prefectures

Yomiuri:

Environment Minister Kamoshita's fund management group provides inadequate explanation for 8 million yen loan declared in political funds reports

Nikkei:

Government mulling tax credit for contributions to hometown revenues

Sankei:

Minister of health, labor and welfare directs Social Insurance Agency to reinvestigate pension embezzlement

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Tokyo Shimbun:

LDP lawmaker Kobayashi quits Diet

(9) EDITORIALS

Asahi:

(1) Embezzlement of pension funds by pension administrators disgraceful
(2) Resignation of Diet members: Changing times calls for new rules

Mainichi:

(1) Pension theft: Social Insurance Agency must bring charges against pension administrators who pocketed pension funds
(2) US-DPRK agreement: North Korea's strict denuclearization urged

Yomiuri:

(1) Full story of pension fraud must come out
(2) Japan's unique culture "MANGA"

Nikkei:

(1) APEC should show the meaning of its existence in connection with global environment
(2) Is pension fraud tip of the iceberg?

Sankei:

(1) Japan-DPRK working group: Don't change stance of resolving abduction issue
(2) Pension fraud is disgusting

Tokyo Shimbun:

(1) Thorough investigations on pension fraud and punishment necessary

(2) How will Iraq escape from the quagmire it is in?

(10) Prime Minister's schedule, September 4

NIKKEI (Page 2) (Full)
September 5, 2007

09:02

Executive meeting at the party headquarters

09:22

Cabinet meeting at the Kantei.

09:58

Reporting to the Emperor in private at the Imperial Palace. Then
attestation form new Agriculture Minister Wakabayashi.

10:44

Issued a letter of appointment to Wakabayashi, followed by a photo
shoot.

11:08

Met with Election Strategy Headquarters Director Suga. Photo session
with recipients of the award for persons of merit for disaster
prevention. Then met with Ambassador Mine in charge of the
Japan-North Korea Normalization talks.

11:40

Met with Vice Cabinet Office Minister Uchida and Decoration Bureau

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Director General Fukushita.

13:49

Met with Vice Foreign Minister Yachi.

14:43

Met with former Secretary General Takebe.

15:09

Issued a letter of appointment to Parliamentary Secretary for
Foreign Affairs Koike. Then met with Deputy Foreign Minister Kono
and Deputy Vice METI Minister Toyoda.

17:09

Certification conferment ceremony for the structural reform special
zone plan, the regional revitalization plan and the downtown
revitalization basic plan.

19:05

Met with Secretary General Aso, General Council Chairman Nikai,
Policy Research Council Chairman Ishihara and LDP caucus in the
Upper House Chairman Otsuji.

DONOVAN